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ABSTRACT

This study was prepared in response to Specific Appropriation 577A of the 1991 General Appropriations Act, Chapter 91-193, Laws of Florida, by the Florida Postsecondary Education Planning Commission, of community college programs and courses offered in academic year 1990-91 to obtain an overview of the types of course funding arrangements which exist between external agencies and community colleges and area vocational technical centers. The study gathered and incorporated data from other relevant studies, informational materials, program audits and task force funding reports, the Community College Program Fund and the Florida Education Finance Program. Additional research activities included a survey of all courses which received external support and telephone interviews with campus representatives who administered these courses. Survey responses for 719 courses and programs were received. Significant findings included the following: (1) law enforcement courses comprised the largest grouping of those receiving external funds (39.6%), while the health care and the business or agency related categories each accounted for approximately 20%; (2) Curricular content was developed without the college's or center's assistance in 39% of externally supported courses; (3) the majority of full-time equivalent (FTE) enrollment reported fell in three areas: Vocational Supplemental (47%); Postsecondary Adult Vocational (42%); and Postsecondary Vocational (10%); and (4) less than 1% of the courses were in the Advanced and Professional, College and Vocational Preparatory, and Adult Education categories. A detailed summary of recommendations is included. Appendixes contain the survey instrument, including selected data by question, and a brief report entitled "Supporting Information IV. Skills Investment Taxes: Foreign Examples." (JSP)

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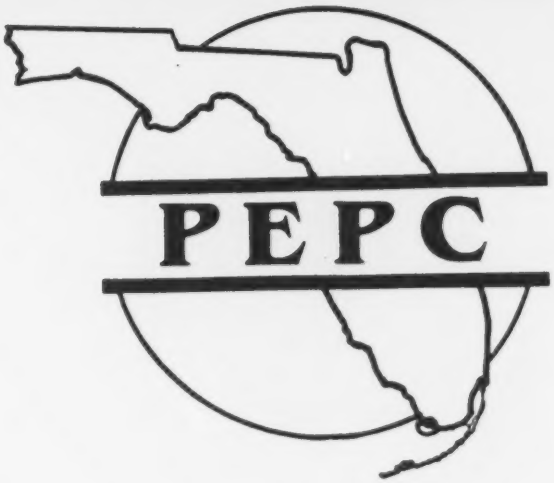

EXTERNAL FUNDING FOR COMMUNITY COLLEGE COURSES AND PROGRAMS

Report and Recommendations of the Florida Postsecondary Education Planning Commission

1992 - REPORT 3

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The Postsecondary Education Planning Commission, initially created by executive order in 1980 and subsequently given statutory authority (SS 240.145 and 240.147, Florida Statutes), serves as a citizen board to coordinate the efforts of postsecondary institutions and provide independent policy analyses and recommendations to the State Board of Education and the Legislature. The Commission is composed of 11 members of the general public and one full-time student registered at a postsecondary education institution in Florida. Members are appointed by the Governor with the approval of three members of the State Board of Education and subject to confirmation by the Senate.

The major responsibility of the Commission is preparing and updating every five years a master plan for postsecondary education. The enabling legislation provides that the Plan "shall include consideration of the promotion of quality, fundamental educational goals, programmatic access, needs for remedial education, regional and state economic development, international education programs, demographic patterns, student demand for programs, needs of particular subgroups of the population, implementation of innovative educational techniques and technology, and the requirements of the labor market. The capacity of existing programs, in both public and independent institutions, to respond to identified needs shall be evaluated and a plan shall be developed to respond efficiently to unmet needs."

Other responsibilities include recommending to the State Board of Education program contracts with independent institutions; advising the State Board regarding the need for and location of new programs, branch campuses and centers of public postsecondary education institutions; reviewing public postsecondary education budget requests for compliance with the State Master Plan; and periodically evaluating the State's 28 regional coordinating councils for vocational education and adult general education.

Further information about the Commission, its publications, meetings and other activities may be obtained from the Commission office, 231 Collins Building, Department of Education, Tallahassee, Florida, 32399-0400; telephone (904) 488-7894.

POSTSECONDARY EDUCATION PLANNING COMMISSION

EXTERNAL FUNDING FOR COMMUNITY COLLEGE COURSES AND PROGRAMS

Prepared in Response to Specific Appropriations 577A
of the
1991 General Appropriations Act
Chapter 91-193, Laws of Florida

1992 - Report 3

February, 1992

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EXECUTIVE SUMMARY

Proviso language accompanying Specific Appropriation 577A of the 1991 General Appropriations Act directed the Postsecondary Education Planning Commission to:

conduct a review of community college courses and programs offered in academic year 1990-91 which were reported to the State for FTE funding purposes. Working in conjunction with the Commission, the following information shall be collected by the Division of Community Colleges from each community college: (1) All courses and programs in which the instructor was not paid directly as a salaried employee of the college; (2) All courses and programs in which the majority of the direct instructional costs (salaries, expenses and/or equipment) were not paid from either the Community College Program Fund, student fees, or a specific categorical appropriation administered by the Division of Community Colleges; (3) for each course or program identified in (1) or (2) above, the college shall report the purpose of the instruction; the clientele served; whether the class included students not employed by the agency paying the salary or costs and the number of such students as compared with the total enrollment in the course or program; the assignment of authority for curriculum design; whether successful completion of the course for in-service credit, advancement, pay adjustment, or for certification was determined by meeting requirements for a non-college agency; and the specific benefit to the student, college and the agency paying the salary of the instructor or other expenses.

The format for the individual college reports shall be designed by the Division in consultation with the Commission.

Based on the data compiled, the Commission shall determine whether the courses were educational activities fully under the control of the college. Based upon its conclusions, the Commission shall recommend to the Legislature, the Governor and to the Division a policy identifying the conditions under which courses should generate FTE funding through the Community College Program Fund and identify those courses which do not meet these criteria.

While not specifically addressed in proviso, the issues raised were also relevant to training provided through area vocational technical centers and other programs operated by school districts. Consequently, the K-12 sector was also included in the study.

The methodology that was used to prepare this report was similar to that employed in previous Commission studies. Relevant studies, informational materials, program audits and task force reports relating to course funding in postsecondary education, the Community College Program Fund, the Florida Education Finance Program and apprenticeship programs in the State provided a base for this study. The Commission conducted additional research activities, including a survey of all courses offered during the 1990-91 academic year by community colleges and area vocational technical centers which received external support and met the criteria for the study and telephone consultations with campus representatives involved in the administration of courses and programs receiving external support. This study necessitated the direct involvement of the Division of Community Colleges, the Division of Vocational, Adult and Community Education, and the Division of Public Schools. The Commission's request for course and funding information from the individual institutions was coordinated through the appropriate division.

The report provides an overview of the types of courses and funding arrangements which exist between external agencies and

community colleges and area vocational technical centers. While no serious problems were apparent in the data collected, the Commission did not receive complete information from all of the area vocational centers (24 of 34 responded). Community college survey responses for 719 courses and programs were received by the Division of Community Colleges. Only four area centers reported courses which met the study criteria. After a preliminary analysis, courses which did not meet the study criteria (such as dual enrollment courses for high school students) and those which could not be separated from aggregate groupings with any degree of precision were not included in the final database. Law enforcement courses comprised the largest grouping of courses accounting for 39.6 percent of the total. Health care and the business or agency related category of courses each accounted for approximately 20 percent of the courses included in the database. The majority of the FTE reported was categorized in three areas. Forty-seven percent and 42 percent of the courses reported FTE in Vocational Supplemental and Postsecondary Adult Vocational categories respectively. Ten percent of the courses were reported in the Postsecondary Vocational category, while less than one percent of the courses were reported in the Advanced and Professional, College and Vocational Preparatory and Adult Education categories.

The following specific recommendations were identified by the Commission as a result of its work in the area of external funding of postsecondary courses and programs.

Recommendations:

1. When a public educational institution has been fully funded by an external agency for direct instructional costs of any course or program, the FTE generated should not be reported for state funding.

2. The Division of Vocational, Adult and Community Education and the Division of Community Colleges should clarify the appropriate share of support which must be provided by an institution, business and industry, and individual students participating in a course funded through the Community College Program Fund or the Florida Education Finance Program.

3. In cooperation with school districts and community colleges, the Division of Vocational, Adult and Community Education and the Division of Community Colleges should use selected factors as criteria in determining if supplemental vocational courses are eligible for state funding. *Examples of such factors include: (1) program content developed by an external agency; (2) the course content involves proprietary information; (3) enrollment in the course or program is restricted; and (4) the instructor for the course is not an employee of the institution.*

4. Funding for FTE generated by apprenticeship programs should be accounted for separately in the funding methodology of the Community College Program Fund and the Florida Education Finance Program. Actual expenditures for classroom-related instruction and on-the-job training components of apprenticeship programs should be reported and serve as the basis for future funding.

5. Only instruction provided directly or supervised by an employee of an educational institution in either the classroom-related instruction or the on-the-job training component of an apprenticeship program should be used in the generation of funds through the Community College Program Fund and the Florida Education Finance Program.

6. In cooperation with the Florida Bureau of Apprenticeship and the U. S. Department of Labor Bureau of Apprenticeship Training, the Division of Vocational, Adult and Community Education should routinely match the institutional enrollment records with the registered participants in apprenticeship programs in Florida. *This information should be incorporated in the program review process developed by the Committee on Apprenticeship and Vocational Education Linkage (CAVEL).*

7. Based on a review of the apprenticeship funding information collected, the State Board of Community Colleges, the Division of Vocational, Adult and Community Education, and the Florida Bureau of Apprenticeship Training should recommend limits on the number of years an individual apprentice may be eligible for state support for on-the-job training hours through the Community College Program Fund and the Florida Education Finance Program.

8. The Department of Education in collaboration with the High Technology and Industry Council, the Florida Education and Industry Coalition, Department of Commerce, the Department of Labor and Employment Security, the Governor's Office, State Chamber of Commerce, business leaders and other interested parties should convene a task force to develop a coordinated plan that outlines the future role of postsecondary education in economic development in Florida. *The plan should address the need for consolidation and coordination, adequacy of current funding initiatives, alternative sources of support, and policies and rules affecting economic development and postsecondary education. In addition, the Department should review progress related to implementation of Section 229.52(1), F.S. and take the necessary steps to establish a planning process to identify future training needs for industries.*

I. INTRODUCTION

Proviso language accompanying Specific Appropriation 577A of the 1991 General Appropriations Act directed the Postsecondary Education Planning Commission to:

conduct a review of community college courses and programs offered in academic year 1990-91 which were reported to the State for FTE funding purposes. Working in conjunction with the Commission, the following information shall be collected by the Division of Community Colleges from each community college: (1) All courses and programs in which the instructor was not paid directly as a salaried employee of the college; (2) All courses and programs in which the majority of the direct instructional costs (salaries, expenses and/or equipment) were not paid from either the Community College Program Fund, student fees, or a specific categorical appropriation administered by the Division of Community Colleges; (3) for each course or program identified in (1) or (2) above, the college shall report the purpose of the instruction; the clientele served; whether the class included students not employed by the agency paying the salary or costs and the number of such students as compared with the total enrollment in the course or program; the assignment of authority for curriculum design; whether successful completion of the course for in-service credit, advancement, pay adjustment, or for certification was determined by meeting requirements for a non-college agency; and the specific benefit to the student, college and the agency paying the salary of the instructor or other expenses.

The format for the individual college reports shall be designed by the Division in consultation with the Commission.

Based on the data compiled, the Commission shall determine whether the courses were educational activities fully under the control of the college. Based upon its conclusions, the Commission shall recommend to the Legislature, the Governor and to the Division a policy identifying the conditions under which courses should generate FTE funding through the Community College Program Fund and identify those courses which do not meet these criteria.

While not specifically addressed in the proviso, the issues raised were also relevant to training provided through area vocational technical centers and other programs operated by school districts. Consequently, the K-12 sector was also included in the study.

Commission Activities

This study was assigned by the Commission chairman to the Program Committee chaired by Dr. Tully Patrowicz. An organizational meeting was held in August, followed by monthly public meetings through February. The methodology that was used to prepare this report was similar to that employed in previous Commission studies. Relevant studies, informational materials, program audits and task force reports relating to course funding in postsecondary education, the Community College Program Fund, the Florida Education Finance Program and apprenticeship programs in the State provided a base for this study. The Commission conducted additional research activities, including:

1. A survey of all courses offered during the 1990-91 academic year by community colleges and area vocational technical centers which received external support and met the criteria for the study; and

2. Telephone consultations with campus representatives involved in the administration of courses and programs receiving external support.

This study necessitated the direct involvement of the Division of Community Colleges, the Division of Vocational, Adult and Community Education, and the Division of Public Schools. The Commission's request for course and funding information from the individual institutions was coordinated through the appropriate division.

The pages that follow provide an overview of the types of courses and funding arrangements which exist between external agencies and community colleges and area vocational technical centers. The report concludes with a discussion of the issues and recommendations identified by the Commission as a result of its work in these areas.

II. BACKGROUND

Florida's community colleges and area vocational technical centers are involved in a number of economic development initiatives such as customized training and retraining for area businesses, technology transfer programs and small business centers. Most of these activities are outside the traditional regular credit curriculum. However, the colleges and centers often serve as the primary training agencies for state agencies, private business and industry and government-sponsored labor force development programs. Florida's community colleges and area vocational-technical centers have responded to the educational needs of government agencies and private employers by offering programs designed to develop or upgrade employee skills in a particular field. These economic development activities have served an important role in addressing pressing economic development problems, particularly those posed by a growing segment of the population whose skills leave them unable to compete for jobs in the mainstream labor force.

In addition to the regular associate degree programs, community colleges offer supplemental vocational education courses which are designed to enable persons who are or have been employed in a specific occupation to upgrade their competencies to re-enter, maintain stability or advance within their occupation. Such supplemental vocational programs may be "open enrollment" which are open to the public for enrollment, or "customized", that is, linked to a specific company or employer. Continuing education courses for nurses, cosmetologists and child care workers are examples of open enrollment supplemental vocational education.

The Division of Vocational, Adult and Community Education (DVACE) is responsible for monitoring the operation of vocational supplemental programs in school districts and community colleges. Almost half a million Floridians are served each year through vocational supplemental education. By headcount, 212,648 individuals were reported enrolled in vocational supplemental courses in community colleges in 1989-90. Over the three-year period 1987-1990, FTE reports indicate that vocational supplemental programs represented a consistent share of the vocational and overall instructional programs in both community colleges and school districts. Vocational supplemental programs in community colleges accounted for approximately 12 percent of the total vocational program FTE and three to four percent of the total program offerings for the past three years. In the school district sector, vocational supplemental programs accounted for 21 to 23 percent of the total adult vocational FTE and one percent of the total program offerings. School districts reported almost twice as many FTE enrollments as community colleges reported in vocational supplemental programs (10,851.76 and 5,747 respectively) for 1989-90. Because of the potential for external funding in both the community colleges and school districts through area vocational centers, the thirty-four school district area vocational centers were also included in the survey population for the study.

Educational Programs and External Agencies

Community colleges and area vocational-technical centers offer a variety of courses and programs which are designed to assist individuals in developing or enhancing their skill level in a particular field or occupation. One significant example of educational cooperation between community colleges and state and local government for this type of program involves the education and training of

public safety employees. While a variety of educational programs are routinely offered through community colleges for both law enforcement officers and firefighters, the State is also actively involved in the education and training of police and fire department personnel through the Florida Department of Law Enforcement and the Division of the State Fire Marshal. For police officers and firefighters, college credit provides an opportunity for advancement and salary supplements. Section 633.382 and Section 943.22, Florida Statutes, provide for salary supplements to firefighters and police officers respectively for the attainment of associate or bachelor's degrees. While for the most part these cooperative relationships have worked well, the potential for some overlap in funding appears to exist.

The Bureau of Fire Standards and Training of the Department of Insurance regulates the professional fire service and administers training standards and educational responsibilities of the Division of the State Fire Marshal. Officials of the Bureau of Fire Standards and Training also serve as administrators for the Florida State Fire College which provides instruction and training to volunteer and professional firefighters. There are approximately 20,000 certified firefighters employed in 328 paid fire departments. Between 1979 and 1989 the Bureau of Fire Standards and Training certified nearly 11,000 firefighters. The Minimum Standards Course as well as advanced fire science classes are offered at the Florida State Fire College. Fire College personnel also travel around the state to offer advanced instruction beyond the Minimum Standards Course at local fire departments. The Bureau of Fire Standards and Training is primarily funded by a tax of .625 percent collected on all fire insurance premiums. The cost of operating the program in fiscal year 1990-91 was approximately $2,000,000.

Responsibility for the certification and training of law enforcement officers resides with the Commission on Criminal Justice Standards and Training. Florida is divided into sixteen training regions which contain a total of 41 training centers. The majority of the training centers are located at community colleges or vocational technical centers. Training programs within each region are supervised by an advisory council made up of local law enforcement officers who advise the center directors on the types of training programs needed. Approximately 5,000 law enforcement officers receive the basic law enforcement training course each year. Funding for the operation of the training centers for law enforcement officers is primarily provided through three sources. The Criminal Justice Standards and Training Trust Fund contributes approximately $5 million each year. Revenue for the fund is generated from a percentage of the fines collected for traffic offenses and other penalty assessments. Second, local law enforcement agencies contribute funding, materials and personnel as training officers for the operation of the educational programs. A third source of funding for criminal justice training programs is that generated by the educational institutions involved through the Community College Program Fund (CCPF) and the Florida Education Finance Program (FEFP).

In addition to relationships with public safety agencies, community colleges and school districts offer educational services to a wide variety of individuals and public and private organizations. Some examples of this diversity are health care educational programs which are present throughout the Community College System, and mine health and safety training programs, which are offered on a limited basis in certain areas of the State. In addition, apprenticeship programs offered through five community colleges and 24 of the school district area vocational-technical

centers are designed and offered to assist in the development of a productive work force.

The health care field is one which traditionally generates significant numbers of educational courses and FTE within colleges and universities in Florida. Approximately 23 percent of all of the FTE generated by vocational programs is produced in the health professions. Educational programs for health care workers often involve the use of sophisticated technology, expensive materials and/or highly specialized instructional staff. As a result, the instructional costs for such programs are usually high. Postsecondary health education programs are often conducted at least in part with the assistance of external health care agencies and their facilities. Hospitals and private laboratories or other health care facilities often actively encourage instructors and students to use their equipment and facilities for educational purposes. With the high cost of providing educational programs to workers in health care and the need for practical experience in a work setting, students are often trained using equipment and materials provided by external agencies. The donation of equipment, materials, facilities and staff can significantly reduce the instructional costs of offering high cost health care programs. In addition, supplemental vocational education programs are often customized for health care employers. The federally required four-hour AIDS education course which must be completed by all health care workers is an example of the type of program which can be offered in this way.

The Division of Vocational, Adult and Community Education (DVACE) provides training assistance to the mining industry by offering mine health and safety courses at community colleges and vocational centers on an as needed basis. The federal Mine Health and Safety Administration (MHSA) requires specialized training for all persons employed in the mining industry. All mine employees must receive an annual eight hour refresher course which covers basic health and safety, emergency techniques and specialized instruction concerning working around mining equipment. All new miners must receive a twenty-four hour course which provides basic health and safety training and introduction to the mine environment and the electrical or explosive hazards which may be present. The majority of the instructional costs for providing this training through DVACE are underwritten by a federal grant provided for training assistance. Currently, only those community colleges or vocational centers located in areas of the State with a high concentration of mines have become involved in offering these educational programs. Demand for courses in mine safety has not been high and the fees for this type of training have, thus far, been low. While college credit may be a possibility, the majority of those completing mine safety courses receive a non-credit certificate of completion.

Apprenticeship programs involve a method of training full-time employees in business and industry through a combination of on-the-job training under the direction of a journeyman worker and classroom related instruction. The apprenticeship training programs in the State operate in accordance with federal and state laws and rules promulgated through the Florida Department of Labor and Employment Security (FDLES) and governed by Chapter 446 of the Florida Statutes which created the Florida Bureau of Apprenticeship. The Florida Bureau of Apprenticeship was created to promote, develop, maintain, register and regulate certified apprenticeship and other related training programs to assure the welfare and training of each individual apprentice and to assist in the development of a productive work force. Under the guidelines for the program, apprentices must be registered with the Florida Department of Labor and Employment Security or the Federal Bureau of

Apprenticeship Training. Apprenticeship training is divided into two components: related instruction and on-the-job training in accordance with federal law. Public schools and community colleges in cooperation with program sponsors have provided the related classroom instructional component which includes a minimum of 144 hours of instruction per year. A program sponsor is defined as the employer sponsoring the apprentice. The program sponsor/employer contributes an amount to fund the program according to a funding formula which becomes a part of the apprenticeship program agreement. Apprenticeship sponsors provide funding for the operation of the program and salary for the apprentice. In addition, the educational institution receives FTE for funding through the CCPF or the FEFP for classroom related instruction and a part of the on-the-job training conducted for the program.

Apprenticeship the programs are specifically described in Florida Administrative Code (FAC). The Standards for Apprenticeship (38C-16.004, FAC) state, in part, that an apprenticeship program must be structured as follows:

2(b) A term of apprenticeship not less than 2000 hours of work and training, which hours are excluded from time spent at related instruction, and which shall be consistent with training requirements as established by industry practice;

2(d) Provision for organized related and supplemental instruction in technical subjects related to the trade. A minimum of 144 hours for each year of the apprenticeship is required. Such instruction may be given in a classroom, through trade, industry or approved correspondence courses of equivalent value approved by the Bureau.

Headcount data for 1989-90 apprenticeship programs from the Division of Vocational, Adult and Community Education indicate that there were 5,112 registered apprentices enrolled in programs sponsored through community colleges or area vocational-technical centers. Apprentices enrolled at the five community college programs accounted for 1,282 or 25 percent of the total. The five community colleges with apprenticeship programs and their headcount enrollments were Daytona Beach Community College (183), Florida Community College at Jacksonville (857), Indian River Community College (162), Okaloosa-Walton Community College (42) and Santa Fe Community College (38).

In most instances these institutions have become involved in apprenticeship programs by offering the related classroom instruction component of the apprenticeship training. In accordance with the increased state and federal emphasis on partnerships between education and industry, twenty-four area centers and five community colleges in Florida have expanded their involvement into the coordination and supervision of the on-the-job training component as well. As a result, the school districts and the community colleges are reporting apprentices for vocational funding FTE for both the related classroom instruction component and the on-the-job training component.

Community colleges offer postsecondary vocational courses and associate degrees in both the criminal justice and fire safety specialties. In addition, many community colleges enjoy a cooperative relationship with state and local governments in providing basic training for both law enforcement and fire safety officers. Further, with the high cost of providing educational programs to workers in health care and the need for practical experience in a work setting, students are often trained using equipment and materials provided by external agencies. This cooperative relationship has proven beneficial

for the colleges since they are able to generate revenue and meet the training needs of local agencies through the sponsorship of educational programs. In addition, students in health related educational programs gain experience with expensive equipment in an actual work setting that ordinarily would be beyond the capability of the college to provide. External agencies offer their personnel opportunities for advanced training for which they may receive college credit. By involving the community colleges and area centers, many agencies and private employers reduce their training costs. Since apprenticeship and vocational education are both oriented toward providing people with the necessary skills to succeed in the work force, a strong linkage exists between the two.

Course Funding

The Community College Program Fund and the Florida Education Finance Program are the principal state general revenue appropriations to the community colleges and the school districts. In the Florida Education Finance Program there has been and continues to be a direct relationship between full-time equivalent (FTE) enrollment and funding which serves as the basis for generating each district's allocation. For the community colleges, the relationship has been less direct. Previously, enrollment growth or decline was only taken into account when a college's three-year average enrollment differed from its assigned enrollment by five percent or more. Due to action by the 1991 Legislature, community college workload (funding for enrollment growth or decline) is now calculated based on changes from the prior year.

Section 228.077, F.S., authorizes the offering of customized supplemental vocational programs by community colleges and public school districts and Section 230.645(9), F.S., recognizes that employers may pay the fees for supplemental training. Currently, some colleges and schools offer customized supplemental vocational programs for which the full costs are paid by an employer. The Commission's 1991 study, ***Florida Community College Finance: Update***, stated that:

Although there is no evidence to indicate that districts or colleges are collecting state funds for supplemental vocational programs that have been fully paid for by an employer, the practice is not specifically prohibited. The expenditure of state dollars to support a program that has been funded privately is not a wise or prudent use of state resources and should not be permitted.

The study recommended that:

The Legislature, in specifying the range of fees to be charged by community colleges and school districts for supplemental vocational education programs, should consider that actual cost of delivering the programs. Fees established should constitute a larger share (20-25 percent) of the total program cost. In the area of customized supplemental training, modifications in statute and rule should be enacted to clarify the authority of school districts and community colleges to offer these programs on a full-cost basis.

Although the Commission recommended permissive authority to charge fees based on actual cost, the 1991 Legislature enacted legislation (CS/HB 2497) which requires that community colleges and school districts charge full cost for customized supplemental vocational education programs. The legislation states that FTE generated by such programs may not be used to generate funds within the Community College Program Fund or the Florida Education Finance Program, but the lack of a clear definition of what types

of programs and courses are considered customized supplemental vocational programs has proved problematic.

The State of Florida provides funding for the operation of its school districts and community colleges. In addition, in cooperation with business, industry and government, educational institutions in the state receive external funding in return for educational services. When the FTE reported by an institution or district as a basis for State support includes course enrollments for which an external agency has provided significant financial support, materials, equipment or the use of facilities, the use of such enrollments may not be justified. The portion of the instructional costs of such cooperative educational programs which should be covered by the community colleges or school districts, external agencies and students, and the conditions under which the FTE generated by these programs can be used by the colleges and schools as part of the state education funding procedures are important issues which will be addressed in this study.

III. DATA COLLECTION AND ANALYSIS

As a part of the Commission's activities related to its review of external funding of postsecondary courses and programs, information on all courses offered in the community colleges and the area vocational centers which received external support and were reported for funding purposes was collected and analyzed. This section describes the procedures used to collect the data and analyze the results.

Survey Instrument and Procedures

In consultation with the staff of the State Board of Community Colleges and the Division of Vocational, Adult and Community Education, a survey was developed to collect information on all of the courses and programs offered by community colleges and district area vocational technical centers during 1990-91 which met the criteria for the study. The survey requested basic descriptive information about each course including the agency for which the course was offered. In addition, the institutions were asked to provide specific information concerning the costs paid for instruction, any additional costs involved in offering the course or program, and the FTE produced by the course or program and reported for funding purposes. A preliminary draft of the survey instrument was circulated among staff of the State Board of Community Colleges and the Division of Vocational, Adult and Community Education. Based upon the input received, the survey instrument was revised by Commission staff. A copy of the final survey instrument is appended. Commission staff coordinated the distribution of the survey instrument to each community college and area vocational center through the Division of Community Colleges and the Division of Public Schools.

General Results and Analysis

The survey data were analyzed using the Statistical Package for the Social Sciences, (SPSSX). Descriptive statistics such as frequency distributions and percentages for each question and response category were calculated. The instructions for the completion of the survey requested each institution to complete one copy of the survey form for each course which met the study criteria. In most instances, the institutions supplying the data necessary for the study completed the survey as requested. However, several institutions submitted course information in an aggregated form. Because of the manner in which some of the data were submitted, some course information could not be included in the study. In some instances, Commission staff working with the institutions involved were able to break down and further clarify the cost and FTE information so that it could be accurately represented in the study. In some cases when the instructional costs for groups of courses were aggregated, the cost data for individual courses in the group were prorated using the FTE generated by each course in order to facilitate the analysis at the course level.

Of the 62 institutions included in the request for data, 52 responded. All of the community colleges responded to the Commission's request for data while 24 of the 34 area vocational centers returned the survey instrument. Despite follow-up efforts on the part of Commission staff, 10 area vocational centers did not provide the requested course data for inclusion in the study.

Community college survey responses for 719 courses and programs were received by the

Division of Community Colleges. Only four area centers reported a total of five courses as meeting the study criteria. The courses reported by the area centers involved training for law enforcement officers (3), training for fire fighters (1), and general business and management training for a private retailer (1). Preliminary analysis of the submissions by the community colleges revealed some courses which did not meet the study criteria. Upon further examination, courses which did not meet the study criteria (such as dual enrollment courses for high school students) and those which could not be separated from aggregate groupings with any degree of precision were not included in the final database. Table 1 provides summary statistics by broad subject category for the courses in the database. Law enforcement courses comprised the largest grouping of courses accounting for 39.6 percent of the total. Healthcare and the business or agency related category of courses each accounted for approximately 20 percent of the courses included in the database. The business or agency related category was comprised of courses with content specific to a particular type of business or agency. Some specific examples include courses in tax preparation, automotive repair and claims adjustment for insurance agents.

The survey asked for information concerning the intended purpose for which the students enrolled in the course. The largest percentage of responses involved supplemental vocational education. Enhancing current or learning new occupational skills (86%) and obtaining in-service credit (50%) were the specific objectives cited. In addition, pay adjustment and advancement were reported by 19 and 11 percent respectively as reasons for enrollment. Since Florida law allows for pay adjustments to law enforcement and fire personnel who complete postsecondary degree requirements, these responses were not unexpected. Fifty-seven percent reported other reasons for enrollment in the course. No consensus in the specified reasons for this response was apparent.

Questions 4 through 7 of the survey were designed to provide information concerning how the institutions coordinate the traditional responsibilities for a course when external agency support is involved. Question 4 asked about the responsibility for the development of the course content when external agencies are involved. Sixty-one percent of the responses indicated that the responsibility for course content resided either with the institution or it was shared with the external agency. In 39 percent of the courses, the curricular content was developed without the institution's assistance.

Enrollment in the courses (question 5) was open to any student in the majority (67%) of cases. Restrictions on the course were generally determined by the course subject matter. Analysis by course type of those courses where enrollment was restricted indicated that they involved law enforcement, fire, and other specialized training opportunities where employment or credentials such as a college degree or professional certification in a particular field were required.

Questions 6 and 8 of the survey concerned certification of the instructor and the determination of successful completion of the course respectively. In 99 percent of the cases, the instructors for the courses were reported as having met the educational institution's requirements. Question 8 asked if successful completion of the course for in-service credit, advancement, pay adjustment, or for certification was determined by meeting requirements for a non-college or non-district agency. Successful completion of 42 percent of the courses in the database was determined

TABLE 1

PROGRAMS/COURSES RECEIVING EXTERNAL FUNDING
FREQUENCY DISTRIBUTION BY COURSE TYPE

COURSE TYPE	FREQUENCY	PERCENT
Personal Development/Education	25	5.0
Business Related/Agency Specific Skills	104	20.7
General Management	18	3.6
Computer Training	5	1.0
Construction Related	10	2.0
Hospitality Management	9	1.8
ROTC	1	.2
Health Care - General	32	6.4
Health Care - Physician	16	3.2
Health Care - Dental	7	1.4
Health Care - Nursing/EMT	28	5.6
Health Care - Technical	19	3.8
Law Enforcement - Basic	28	5.6
Law Enforcement - Advanced	69	13.7
Law Enforcement - Specialized	102	20.2
Firefighting - Basic	2	.4
Firefighting - Advanced	28	5.6
TOTAL	503	100.0

Source: Postsecondary Education Planning Commission external funding survey (1991).

by meeting the requirements of an external agency. The requirements were often those specified by law or some external agency granting certification or licensure. Law enforcement and fire training courses were included in this grouping. Successful completion of the majority of the courses (58 percent) was determined by the educational institution.

The survey also asked each institution to provide information on the cost of the instructor, the additional support costs and the FTE associated with each course. The cost of instruction refers to the dollar amount the institution paid the course instructor. In most instances the figures reported were based upon hourly rates or contractual amounts which covered the term of the course whether it spanned one or many meetings during the term. The additional costs reported represented such things as the expense for providing the room or facility in which the course was offered, special equipment needed (i.e., audio and video equipment), institutional support services and administrative staff to organize and produce the course (including copying and word processing), the costs associated with registration and certification of students enrolled in the course, the use of the institution's library and other facilities which are made available to all students, and specialized marketing services for the course. In some cases the institutions reporting additional cost data attempted to be specific in the dollar amounts associated with each course. However, in other instances, because of differences in accounting practices, the additional costs associated with a particular course resulted from a mathematical calculation which was an estimate based upon an average of the total additional cost per FTE for the institution. Since in many cases the cost data reported were based upon estimates, the precision of all of the cost data is not absolute. However, the information can still provide insights to the range of funding provided to the colleges and area centers by external agencies.

A review of the course cost data reported by the colleges and area centers reveals that a considerable range exists for the courses involved. Course costs reported ranged from an institution paying full cost for a particular course to several instances where no costs were reported. Three distinct levels of cost were reported on the forms submitted. The first level involved courses in which the institution paid all or the majority of the costs specified in offering the courses involved. The second level involved courses for which the institution did not report any cost for instruction but did report indirect costs related to the offering of the course. Indirect costs for instruction are normally associated with offering any course at the college. And finally, the third category of course costs concerned courses for which the institution reported that it incurred no cost.

A review of the survey responses reveals no particular relationship between the costs paid and the FTE earned other than the increase in cost normally present when large numbers of students are involved. Theoretically, if the college or area center incurred little expense in the offering of a course, the State should provide less support than if the college paid full cost. The funding formula does not recognize the level of support provided by an external agency; regardless of the level of support provided, FTE are funded at the same level.

Since the State provides funding based upon the FTE generated by a course, an institution which spends less than the expected amount to produce the FTE frees up resources for other purposes. An analysis of the cost per FTE associated with courses in the different course groupings revealed wide variation in the expenses incurred by the colleges within the groups and by course type. For example, the

FTE reported for vocational supplemental specialized law enforcement courses ranged from less than one to 35.78 FTE. Selecting courses within the group reported as generating one FTE yielded an accompanying range of costs. Instructional costs within this subset ranged from $0 to $8,000 and indirect costs ranged from $532 to $3,243.68 per FTE. While a variety of factors can influence costs at the institutional level, the ranges reported above indicate the disparity in the expenses incurred by a college in generating one FTE for a specific category of courses. Another method for examining the same issue involves calculating the cost per FTE for each course and comparing the range within like categories of coursework. For example, the cost per FTE calculations for Postsecondary Adult Vocational courses in the private business/agency category ranged from no cost to $2,084.21 per FTE.

Educational institutions offer programs designed to meet the educational needs of their local community. The types of courses community colleges and area centers have offered for local agencies and business can be divided into three types. The first type of course is designed to meet general educational needs of employees. Such courses might involve general mathematics, writing skills, logic or critical thinking skills. The second type of course usually involves general skills which the agency or business would like its employees to improve or master. These types of courses include general office skills, computer skills or programs designed to improve employee relations with the public. The third type of course included in this group is composed of highly specialized training which is usually specific to a particular agency or field of employment. The types of courses in this category include tax preparation, surveying, some types of automotive repair and law enforcement courses.

Generally when an external agency provides an instructor for a course such as a police firearms course taught by a law enforcement officer, the educational institution will reimburse the agency at a specified hourly rate for the cost of the officer's time. If the course is taught on the instructor's own time, then the officer will be paid directly by the educational institution for teaching the course. Similarly, in the case of a course in quality management taught by an employee of a business, the educational institution might reimburse the business for the instructor's time if the course is offered during regular business hours. Further, by the time the business pays the tuition and fees for the employees in the course and the college then pays the business for the instructor, the total cost of the course to the business and the college is reduced.

In addition to the cost data provided, the institutions were asked to indicate the number of FTE produced by each course for funding purposes under the CCPF or the FEFP. Enrollment FTE reported ranged from .008 to just above 304 FTE. The majority of the FTE reported was categorized in three areas. Forty-seven percent and 42 percent of the courses reported FTE in Vocational Supplemental and Postsecondary Adult Vocational categories respectively. Ten percent of the courses were reported in the Postsecondary Vocational category, while less than one percent of the courses were reported in the Advanced and Professional, College and Vocational Preparatory and Adult Education categories.

Summary

Courses and programs for law enforcement officers, healthcare workers and private business and agencies comprised the largest groupings of courses in the database

developed for this study. Although the survey responses received by the Commission represent a sample of all of the courses offered and much of the cost data are based upon the best estimates available, some trends in the data are apparent. Different levels of funding do exist within the database among similar types and categories of courses. No clear relationship between the costs of a course and the FTE generated by that course were apparent. In addition, control of the curricular content and access when an external agency is involved in the offering of a course or program are issues that deserve more attention. These factors suggest potential criteria which may be used in discussions regarding state funding. However, a clear definition for such courses and programs offered to the private sector is needed.

The educational institutions were unable to provide specific information as to the break down of agency versus non-agency students in the courses reported. However, the majority of the courses contained in the database were categorized in the Vocational Supplemental and Postsecondary Adult Vocational categories.

IV. ISSUES AND RECOMMENDATIONS

The central point of the Commission's study of external funding of community college courses concerns an examination of the level of funding these courses generate as opposed to the cost incurred by the institution. Community colleges and school districts utilize the FTE produced by the courses they offer to generate support in the form of general revenue funding through the Community College Program Fund (CCPF) and the Florida Education Finance Program (FEFP). Under the current formula, the community college may receive a funding adjustment based upon growth as measured by increases in the FTE courses generate over the previous year. Since the colleges expend funds in the form of instructional costs and support costs such as operating and maintenance for facilities or staff support in order to offer a course, the FTE's produced by the course have served as the basis for providing funding to the institution. However, after a review of the survey data submitted by the colleges and area centers, a closer examination of the relationship between the costs of the courses involving external funding and the FTE generated is warranted.

The Course Cost/FTE Relationship

In many instances the survey data collected by the Commission contained course descriptions in which the costs for instruction were either reported as zero or as donated. In these instances the institution would still be able to claim the full FTE produced by the course. No clear relationship exists between the cost of offering a course and the FTE reported for funding purposes. As a result, if the college can in some way offer the course without having to pay for an instructor, the cost to the college for the FTE generated is lower. The financial interests of the State would best be served if guidance concerning the relationship between cost per FTE and state funding was provided.

Recommendation:

1. When a public educational institution has been fully funded by an external agency for direct instructional costs of any course or program, the FTE generated should not be reported for state funding.

Suggesting a specific funding level which must be provided by an institution wishing to receive support for a course through the CCPF or the FEFP is not reasonable given the limited data available for this study. Nonetheless, several suggestions have been offered regarding the portion of the costs of offering a supplemental vocational education course that should be borne by the educational institution. According to the Commission's 1990 study, ***Florida Community College Finance: Update***, Florida invests more state funds and is more active in supplemental training than most other states. Further, as a result of that study, the Commission recommended that fees for supplemental vocational education should constitute a larger proportion of the total program cost (20 to 25 percent) and that customized supplemental programs be authorized to be offered on a full cost basis. The Division of Vocational, Adult and Community Education in a recent memorandum responding to recommendations by a Legislative Committee has suggested that: (1) supplemental courses open to the general public should be treated similar to job preparatory courses with the fees indexed to between 10 and 25 percent of the actual cost; (2) proprietary curriculum and limited access instruction not open to the general public should have the full costs borne by business and industry; and (3) co-development efforts that are initially proprietary but will have

some value in the public domain should be offered on a shared cost basis.

No particular state funding level has emerged as the consensus choice of all of the parties involved. The House Vocational-Technical Committee has recommended that the full-cost requirement for customized vocational supplemental courses and programs be eliminated. Nonetheless, the question of what constitutes an equitable financial contribution by an educational institution for the academic costs of an externally funded course when the FTE produced will be used to generate financial support within the CCPF and the FEFP remains an important one for the State.

Recommendation:

2. The Division of Vocational, Adult and Community Education and the Division of Community Colleges should clarify the appropriate share of support which must be provided by an institution, business and industry, and individual students participating in a course funded through the Community College Program Fund or the Florida Education Finance Program.

Community colleges and area centers should continue to respond to the educational needs of the communities in which they reside. Further, when a community college or area center provides training and employment programs that assist individuals in the local community to enter and compete in the labor force, the economic development initiatives of the local area and the state are enhanced significantly. Economic development activities by educational institutions play a valuable role in attracting new industry and helping existing business and industries to survive and compete.

Customized supplemental vocational programs designed for a specific business or industry may possess one or more of the following characteristics: (1) the course or program content has been developed by an external agency or someone other than the educational institution in which it is offered; (2) the course content involves proprietary information specific to the agency for which the course or program is offered; (3) enrollment in the course or program is restricted to a specific group; (4) the instructor for the course is not an employee of the institution; and (5) in order to teach the content for the course or program, the instructor must meet specific certification standards outside of those required by the educational institution (i.e., those required for law enforcement and fire training courses and programs.)

Responses to the Commission's survey indicated that the above conditions were present in a number of the courses which received external funding. The presence of one or all of the factors does not necessarily constitute a customized supplemental course or program, however they may provide a beginning for discussion among the providers of such training of the criteria needed for a clear definition. Two telling criteria that could define a customized supplemental vocational program are restricted access and proprietary content.

Recommendation:

3. In cooperation with school districts and community colleges, the Division of Vocational, Adult and Community Education and the Division of Community Colleges should use selected factors as criteria in determining if supplemental vocational courses are eligible for state funding. *Examples of such factors include: (1) program content developed by an external agency; (2) the course content involves proprietary information; (3) enrollment in the*

course or program is restricted; and (4) the instructor for the course is not an employee of the institution.

Apprenticeship Programs

Since 1988, the General Appropriations Act has enabled state-registered apprentices enrolled in vocational education to each generate FEFP funding for up to 25 hours per week. Prior to 1988 when the 25 hour cap was imposed, up to 40 hours per week could be reported for each student. No such limit exists within the Community College Program Fund. In addition, Department of Education Rule 6A-6.055, Definition of Terms Used in Vocational Programs, states that a student enrolled in a job preparatory program incorporating on-the-job training, including apprenticeship, may not be counted for more than 25 clock hours per week combined membership in that program. An apprentice enrolled in a vocational program at a community college or school district area center can account for 1250 hours (25 hours x 50 weeks) of instruction per year. Since one vocational FTE equals 900 hours, then the 1,250 hours generated by one apprentice produces approximately 1.4 FTE. Because of the number of FTE which can be produced by each student using the related classroom instruction and on-the-job training components, the expenses incurred and the funds generated by such instruction deserve careful attention.

The following example will provide some perspective on the fiscal impact of the FTE generated by apprenticeship programs. In the Florida Education Finance Program (school districts), the FTE generated by the program can be multiplied by the program weight and the base student allocation. Since the majority of the apprentices are enrolled in trade and industrial programs, the program weight for that category (1.477) will be used for the purposes of discussion. The maximum annual FTE for one apprentice (1.4), multiplied by the weight for trade and industry programs (1.477), then multiplied by the current base student allocation ($2,423.62), yields approximately $4,972 in funding for the institution. With 3,830 students enrolled in area centers as apprentices, the financial impact of the program may approach $19 million annually in school districts alone. While the funding approach for the community colleges is not the same, with reported headcount enrollment of 1,282 the potential financial impact in this sector is significant as well.

This is not to imply that apprenticeship training is an inappropriate use of state funds. Apprenticeship has proven to be an effective strategy for linking education and the workplace. However, given the importance of the program and the level of funding involved, attention to state policy in this area is warranted. For example a 1989 cost analysis study prepared by the Center for Policy Studies at Florida State University also commented on the lack of a clear policy governing the reporting of on-the-job training hours. The report stated:

In the absence of clear directives from the state some public educational institutions have claimed what appears to be high numbers of FTE vis-a-vis the level of effort provided to the apprentice. The policy and practice of reporting hours of related instruction is relatively straight forward and similar to other vocational education instruction; i.e. classroom-based with an instructor physically in the classroom for a specified number of hours. The policy and practice of reporting on-the-job training is less clear. .... The question still remains: What should be the appropriate level of support provided by the State in recompense for the educational institution's contribution to on-the-job training and how should that level be specified?

State-level officials in the Division of Vocational, Adult and Community Education and Florida Bureau of Apprenticeship are aware of the issues raised by the 1989 cost study. In the years since the study was completed, staff members in both agencies participated on a committee, the Committee on Apprenticeship and Vocational Education Linkages (CAVEL), which designed a program review process to address the issues raised by the cost study and ensure that all state and federal requirements of the program were being met. Unfortunately, because of the budgetary problems facing the State, funding has been unavailable to implement the program review.

Overall, the question surrounding the operation of apprenticeship programs involves funding. A 1991 task force report, ***Vocational Funding in Florida***, decried the overall decline of funding of vocational programs. The task force stated:

Analysis of the vocational program weights between the years of 1981-82 and 1990-91 revealed that over the nine year period every vocational program weight decreased to a level lower than the starting year. Revenue generated by the present method of calculation using the current program weights is not sufficient to adequately support vocational programs.

The Vocational Funding Task Force called for a limited cost study to determine actual and appropriate costs of vocational programs. Inclusion of apprenticeship programs in this process is warranted. Apprenticeship programs provide a valuable opportunity for education and industry to work together to provide people with the necessary skills to participate in the workforce. The Commission supports and encourages the use of apprenticeship or other cooperative educational programs as effective instructional strategies. Some clarification may be necessary in terms of the extent of the funds generated and the actual expenses incurred by the educational institutions for the operation of apprenticeship programs.

Recommendation:

4. Funding for FTE generated by apprenticeship programs should be accounted for separately in the funding methodology of the Community College Program Fund and the Florida Education Finance Program. Actual expenditures for classroom-related instruction and on-the-job training components of apprenticeship programs should be reported and serve as the basis for future funding.

Reporting the FTE produced by the related classroom instruction component of apprenticeship training for funding purposes, when the institution is offering a course and making arrangements for an instructor, seems appropriate. When an apprentice is receiving instruction on a job site from a journeyman, the rationale for the college or area center funding such instruction is less clear. Some institutions may employ staff to provide administrative or supervisory support for the on-the-job training component of the program or pay employees at the job site to provide these services. If educational institutions operating apprenticeship programs are going to report on-the-job training hours for funding purposes, the instruction should be provided by an employee of the college and not an independent contractor. Generally an employer-employee relationship exists when the person or organization for which the services are performed has the right to control or direct the person who performs the service. An employer-employee relationship can be adequately defined using existing case law or definitions provided by the Internal Revenue Service.

Recommendation:

5. Only instruction provided directly or supervised by an employee of an educational institution in either the classroom-related instruction or the on-the-job training component of an apprenticeship program should be used in the generation of funds through the Community College Program Fund and the Florida Education Finance Program.

Another issue which affects the funding generated by apprenticeship programs involves registered and "unregistered" apprentices. Apprentices must be registered with the U. S. Department of Labor through the Florida Bureau of Apprenticeship in order to receive fee waivers and generate on-the-job training hours. In the past, concern has been expressed as to whether all of the apprentices reported to the Division of Vocational, Adult and Community Education by the institutions were registered. The 1989 report, ***Cost Analysis of Apprenticeship Programs in Florida's School Districts and Community Colleges*** noted:

Also affecting the aggregate FTE counts is the issue of registered and "unregistered" apprentices. The figures vary quite widely between the Department of Labor and Employment Security and the Department of Education data. This is a concern for many state level officials in both departments.

The report also suggested that because of state regulations regarding student school fees, the waiver and exemption of student fees, and in-kind services exchanged for the exemption of school fees involved in these programs, whether apprentices are registered or "unregistered" presents a challenging problem in accounting for program expenditures and revenues.

In the years since the publication of the cost study report, the Division of Vocational, Adult and Community Education has increased its efforts to ensure that educational institutions allow only properly registered apprentices to generate on-the-job training hours and receive fee exemptions. Identifying "unregistered" apprentices can be accomplished by a computer match of program participants registered with the U. S. Department of Labor through the Florida Bureau of Apprenticeship with those reported to the Division of Vocational, Adult and Community Education. This could be done on an annual basis and as a part of the program review process. The audit would not be difficult to accomplish and it would provide a useful check on the system.

Recommendation:

6. In cooperation with the Florida Bureau of Apprenticeship and the U. S. Department of Labor Bureau of Apprenticeship Training, the Division of Vocational, Adult and Community Education should routinely match the institutional enrollment records with the registered participants in apprenticeship programs in Florida. This information should be incorporated in the program review process developed by the Committee on Apprenticeship and Vocational Education Linkage (CAVEL).

Another issue which emerged in the area of apprenticeship training concerns the number of years an individual apprentice is eligible for state subsidized training. Some of the apprenticeship programs are five years in length. The practice of providing state support for extended periods merits further attention. While limiting the amount of support provided to the classroom related instruction component of apprenticeship

training would not be practical since no such policy exists for other academic instruction, the support provided to on-the-job training may be viewed differently. A determination should be made by the various agencies involved with the supervision of apprenticeship programs as to the length of time for which state support for on-the-job training is most appropriate. The length of time an apprentice should spend in the program differs according to occupation. Industry standards exist which define the term of study necessary for the various officially recognized apprenticeable occupations. These are included in the agreement which each apprentice must sign. While the term an apprentice may spend in the program can exceed the specified limit in some situations, industry standards can serve as a guide in determining the number of years an apprentice is eligible for state support for the on-the-job training component on a full or partial basis.

Recommendation:

7. Based on a review of the apprenticeship funding information collected, the State Board of Community Colleges, the Division of Vocational, Adult and Community Education, and the Florida Bureau of Apprenticeship Training should recommend limits on the number of years an individual apprentice may be eligible for state support for on-the-job training hours through the Community College Program Fund and the Florida Education Finance Program.

The Commission's survey of externally funded courses and programs provided some indication of the sizable number of courses and programs that exist within educational institutions to link the State's economic development goals and postsecondary education. The Commission's 1988 ***Master Plan Update*** also noted a number of programs such as the Sunshine State Skills Program, Technology Transfer Centers for Business and Industry, the Industry Services Training Program, the High Technology and Industry Council and the Florida Education and Industry Coalition which have been created to facilitate close cooperation between postsecondary education and the State's economic development initiatives. However, no clearly defined policy for the role of postsecondary education in economic development exists within which the various programs can be coordinated. In a related area, Section 229.52(1), F.S., adopted in response to a recommendation in the original ***Master Plan***, calls upon the State Board of Education to assist in the economic development of the State:

...the State Board of Education shall develop a state-level planning process to identify future training needs for industries, especially high technology industry.

In addition to a more deliberate, organized approach to economic development that will provide the highly skilled workers necessary for high performance work organizations of the future, business and industry must join with the education in seeking ways to provide increased funding and programs if the economic goals of the State are to be advanced. A 1990 report titled: ***America's Choice: High Skills or Low Wages!***, commented on the low level of funding United States firms devote to training workers. The report stated:

Each year, American employers spend an estimated $30 billion on formal training. At most however, only one third of this amount is spent on our non-college educated workforce, affecting no more than eight percent of our front line workers. .... Only a small fraction of firms make a significant investment in training workers. According to the American Society for Training and Development, $27 billion of that $30 billion was paid out by 15,000 employers (one half of one percent of

all American employers). And, of this small universe of firms that actually train, only 100 to 200 - the largest companies with significant professional and managerial staff - spend more than two percent of their payroll on formal training.

A number of this country's foreign competitors require firms to invest in improving the skills of their workers. Companies may directly contribute to public employment and training services or they may be required to contribute through a periodically assessed tax or levy to a national training fund. These funds are channeled from various sources such as payroll taxes, general government revenue and tax deductible contributions, all of which are above and beyond what a company might invest on in-house training. As a result, the goal of these systems is to encourage companies to train, to spread costs and ultimately create a self-perpetuating programs to continually upgrade the skills of the adult workforce. More complete descriptions of these programs are contained in Appendix C.

While more overall coordination of the State's economic development activities is needed, some incentive must be provided to employers to provide training to upgrade the skills of workers. A December, 1990 report prepared by the Florida Chamber Foundation, ***Crossroads: Designing Florida's Tax Structure***, described some options for encouraging investment in economic development. The report suggested the use of individual training accounts and an employer training tax credit. These options are similar to those described in other countries and they deserve additional consideration as the Florida's plans for economic development are examined more closely.

Recommendation:

8. The Department of Education in collaboration with the High Technology and Industry Council, the Florida Education and Industry Coalition, Department of Commerce, the Department of Labor and Employment Security, the Governor's Office, State Chamber of Commerce, business leaders and other interested parties should convene a task force to develop a coordinated plan that outlines the future role of postsecondary education in economic development in Florida. *The plan should address the need for consolidation and coordination, adequacy of current funding initiatives, alternative sources of support, and policies and rules affecting economic development and postsecondary education. In addition, the Department should review progress related to implementation of Section 229.52(1), F.S. and take the necessary steps to establish a planning process to identify future training needs for industries.*

Appendix A

SURVEY INSTRUMENT FOR POSTSECONDARY EXTERNAL FUNDING STUDY

SURVEY INSTRUMENT
for the
PEPC "External Funding" Study

PART ONE - All colleges/vocational directors must complete this part of survey.

College Name:_____

Person completing report:_____

SUNCOM Number:_____Local Phone Number:_____

Please check the appropriate response below for the 1990-91 reporting year:

1. Were any postsecondary courses/programs reported for CCPF funding instructed by an individual not paid directly as an employee through the payroll system of the college?

   YES _____ NO _____

2. Were any courses/programs reported for CCPF funding in which a majority of the direct instructional costs (salaries, current expenses, equipment) were not paid from CCPF, student fees or a DCC-administered categorical appropriation?

   YES _____ NO _____

If questions number 1 and 2 above are answered "NO", the survey is completed. Please return only **"PART ONE"**.

If question number 1 or 2 above is answered "YES", please complete **"PART TWO"** (attached page) for each applicable course. Make Copies of **"PART TWO"** as needed and complete items 3 and 4 below.

3. Total number of **"PART TWO"** forms attached _____

4. Total number of FTE (rounded to nearest whole number) reported in 1990-91 in question 11 on all **"PART TWO"** forms for funding purposes:

   _____

SURVEY INSTRUMENT
for the
PEPC "External Funding" Study

PART TWO - Complete only if response for PART ONE was "YES" for:

QUESTION 1 _____ **"OR" QUESTION 2** _____

1. Name of agency for which course(s) was (were) taught.

   _____

2. Course title(s) _____

3. Course intended purpose of enrollees (check all that apply)

   ___ A.A. degree program
   ___ A.S. degree program
   ___ Certificate program
   ___ In-service credit
   ___ Advancement
   ___ Pay adjustment
   ___ Certification
   ___ Enhance current or learn new occupational skills
   ___ Other (specify) _____

4. Was the course content developed by the college?

   YES _____ NO _____ Developed jointly _____

   IF NO: Developed by _____

   Comment _____

5. Was enrollment in the course open to any student?

   YES _____ NO _____

   IF YES: Agency students _____ Non-agency students _____

   Comment _____

6. Did the instructor(s) meet college certification standards?

   YES _____ NO _____

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7. Was the agency identified in question 1 paid by the college for the instructor?

YES _____ NO _____

Amount paid by the college for the instructor _____

Additional college costs incurred _____

8. Was successful completion of the course, for in-service credit, advancement, pay adjustment, or for certification determined by meeting requirements for a non-college agency?

YES _____ NO _____

9. List any additional college services provided (i.e., registration, certification, curriculum development, counseling, etc.)

_____

_____

_____

_____

_____

10. List specific benefits to the student, college and the agency paying the salary of the instructor or other expenses.

Benefits to the student _____

_____

_____

Benefit to the college _____

_____

_____

_____

Benefits to the agency _____

_____

_____

_____

11. Number of FTE (rounded to nearest whole number) reported in 1990-91 for this course for funding purposes:

FTE _____ COURSE TYPE: A&P ___ PSV __ PSAV ___
(Check One)
College and Vocational Prep ___ Adult Ed. ___ VS _____

Appendix B

SURVEY INSTRUMENT (SELECTED DATA BY QUESTION)

SURVEY INSTRUMENT
(Selected Data by Question)

3. Course intended purpose for enrollees (check all that apply)

__2__ A.A. degree program
__40__ A.S. degree program
__15__ Certificate program
__251__ In-service credit
__55__ Advancement
__96__ Pay adjustment
__44__ Certification
__436__ Enhance current or learn new occupational skills
__57__ Other (specify) _____

4. Was the course content developed by the college?

YES __124__ NO __197__ Developed jointly __182__

5. Was enrollment in the course open to any student?

YES __336__ NO __167__

6. Did the instructor(s) meet college certification standards?

YES __501__ NO __3__

7. Was the agency identified in question 1 paid by the college for the instructor?

YES __236__ NO __261__

8. Was successful completion of the course, for in-service credit, advancement, pay adjustment, or for certification determined by meeting requirements for a non-college agency?

YES __193__ NO __269__

Appendix C

AMERICA'S CHOICE: HIGH SKILLS OR LOW WAGES, NATIONAL CENTER ON EDUCATION AND THE ECONOMY

SUPPORTING INFORMATION IV: SKILLS INVESTMENT TAXES: FOREIGN EXAMPLES

All of the foreign competitors we studied require firms to invest in developing and improving the skills of their workers. These contributions, organized as part of national strategies for training and skills development, generally take two forms.

Companies often directly contribute to public employment and training services, as in Germany, Japan and Denmark. Through this approach, the government may organize, oversee or directly provide the training to those individuals needing basic or upgraded work skills.

Firms are often required to contribute through a periodically assessed tax or levy to a national training fund, as in Ireland, Singapore and Sweden. This fund may operate as a monitored 'training account,' from which companies can retrieve their funds to offer some form of approved training.

The funds for these initiatives are channeled from various sources such as payroll taxes, general government revenue and tax-deductible contributions, all of which are expenditures above and beyond a company's in-house training investment. In every case, the goal of the national system is to encourage companies to train, to spread costs and ultimately to create a self-perpetuating program for continually upgrading the skills of the adult workforce.

GERMANY

German corporations contribute a total of nearly 3.5 percent of annual payroll to public training and employment schemes through joint employer-employee financed national unemployment insurance, the national system of apprenticeship and mandatory contributions to local Chambers of Commerce.

In this system, employers are assessed 2.3 percent of annual payroll to the unemployment insurance fund, and employees match their contributions. In 1988, 42 percent of this fund was devoted to training and labor exchange programs, including employment counseling and placement, incentives for companies to employ and retrain hard-to-place workers and free training for workers who are unemployed or facing unemployment for skills reasons. Although this fund is managed by the government, the training is provided by the

private sector and generally lasts from four months to two years. Individuals receive the normal unemployment benefit to support themselves during training.

Beyond this expense, German companies contribute DM 25 billion (U.S. $13.5 billion), or another 2.5 percent of payroll, for 1.7 million trainees in the apprenticeship system. Through these apprenticeships, companies largely finance the last two to four years of secondary education for the majority of German youth.

In addition to the contributions to apprenticeships and insurance fund programs, German companies are required to contribute to their local employers' organizations (generally the Chambers of Industry and Commerce or the Crafts Chambers). Seventy percent of the Chamber budgets are devoted to training purposes, geared particularly to those small companies that lack the resources to train extensively in-house.

Many larger German corporations, along with funding public training, dedicate significant resources to their own training initiatives. For example, Seimens AG allocated DM 470 million, or 2.5 percent of payroll, to train and upgrade its workers in-house in 1987.

SWEDEN

Swedish firms contribute to training by financing the public employment and training systems and by contributing to government-established training funds. An employer contribution of approximately 2.5 percent of annual payroll finances the National Labor Market Board (AMS), which operates Sweden's national employment service, manages labor exchange and provides training and subsidized employment. This contribution is independent of the unemployment compensation system, to which companies also contribute, and of the employer's extensive social security obligations. In 1987, Sweden spent $3.9 billion on labor market measures for a workforce of 4.4 million.

The Swedish government also establishes renewal funds, into which all companies of a certain size are required to contribute 10 percent of net profits. The tax-deductible contributions are placed into an interest-free account and may be withdrawn later to support company training that has been approved by the government and the local unions. Volvo, for example, utilized its renewal funds to provide up to two years of initial training for employees when it opened its team-style auto production plant in Udevalla.

DENMARK

In Denmark, training for unemployed individuals and a substantial amount of training for company employees is provided free of

charge by the government through the National Labor Market Board (AMU). While general government revenues fund most of this effort, employers contribute up to 600 Dkr (U.S. $82) per worker. This figure represents a total employer contribution of 0.2 percent of annual payroll. Employees also match the contribution. In 1988, AMU provided 1.1 billion Dkr (U.S. $137 million) to train 100,000 participants.

IRELAND

In Ireland, the larger companies are required to contribute one to 2.5 percent of payroll annually into the levy-grant scheme, creating a fund similar to Sweden's renewal fund. Ninety percent of funds are then returned to the company for use in training programs approved by the national employment authority (FAS). The remaining 10 percent is used for administrative purposes. FAS, working through its industrial training committees, assists companies in devising their training programs and administers the labor exchange system.

SINGAPORE

Singapore has aggressively supported training as part of its overall high productivity development strategy. The Skills Development Fund (SDF), to which employers contribute one percent of payroll annually, is used by the government to partially reimburse companies for approved forms of training. This includes approved apprenticeship and in-house training, external training in recognized courses offered by accredited institutions and particularly training in high technology and 'economically critical' skills (for which companies receive twice the normal reimbursement).

The Singapore government also funds from general revenues a number of training institutes, often in cooperation with multinational companies.

JAPAN

Japanese corporations have a strong philosophical commitment to training, and in many cases build and run their own schools and training centers for the constant betterment of their workforce.

Japanese corporations are required to contribute an average of one percent of payroll into the National Employment Insurance Fund, which pays for unemployment compensation and three employment and training programs. Of this one percent tax, about one third to one half is used to finance the three employment and training initiatives.

In addition, employer tax funds are combined with federal, prefectural (state) and, to a lesser degree, municipal general revenues to finance the Ministry of Labor's Human Resources Development Bureau,

which administers the Capability Development Program. This program supports nearly 400 public or vocational training facilities, provides direct assistance to firms in creating their own in-house training capability and helps develop and implement a set of industry based skill certifications and examinations.

Each of these countries requires companies to promote the skills development of the national workforce. In each case, the mandatory corporate contributions are in addition to the amounts that companies spend to train their own employees.

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